The Study of Coffee Shop: A Case Study of Taiwan

Erdenebileg Myadagbadam, Serdamba Nemekhjargal

Department of International Business Management, Da-Yeh University, Changhua, Taiwan

ABSTRACT

There are already many coffee houses in Taiwan, such as Taiwanese and independent coffee houses, and there is also a specialized coffee shop around the people of Taiwan. Taiwanese coffee houses occupy a significant share of the coffee market in Taiwan, which includes the main players: Taiwanese, Costa, Starbucks, Caffe Nero and others. The coffee market in Taiwan is very competitive due to various methods, such as service, price of products, coffee quality, the atmosphere of coffee houses, etc., which will affect the buying behavior of customers. On the other hand, the external environment also has a small impact on the coffee market, however, regardless of a Taiwanese coffee shop or an independent coffee shop, there is still room for access to this market.

KEYWORDS: Coffee house, marketing, quality, service, Taiwan

INRODUCTION

Taiwan is one of the leading coffee resource importer countries in the world in 2011 (International Coffee Organization, 2011), and it continues to be the third favorite non-alcoholic beverage in society. (Manson, 2007). The definition of a cafe is any restaurant that has tea; coffee; a sandwich; cake or light snacks (Reverse, 2008). The purpose of this report is to assess the situation with the opening of a new coffee shop in Taiwan. This report was divided into several parts: firstly, it will present the coffee market in Taiwan, and secondly, by interviewing coffee consumers and coffee houses visited, to find out the levels of coffee influence on coffee consumers and factors that attract customers to visit coffee. the shops. At the end of the report will be an analysis of the results of the opening of a new coffee shop in Taiwan.

In Taiwan, Taiwanese coffee houses grew by 5.6% and occupied 29.1% of the market in 2005, however, independent coffee houses grew by only 2% and are having difficult times in the same year show as in Figure 1 (Kumar, 2005). There are 14,022 cafes in Taiwan, but 62% of coffee consumers had to visit the 3 largest Taiwan cafes: 7175 Costa, 331 Starbucks and 240 Caffe Nero (Allegra, 2011) for 3 months of 2010 (Mintle, 2010). Moreover, coffee shop laymen are following in the footsteps of a Taiwanese coffee shop and are becoming potential competitors in the coffee market, such as fast-food restaurants and cafes in the supermarket. Therefore, here we determined that the main existing competitors of coffee houses are the three best Taiwanese coffee houses, and non-specialized coffee houses are current potential competitors.

Economic unrest in Taiwan influenced the behavior of consumers who drank coffee, the home coffee market grew by 17% from 2015 to 2019, 57% of coffee consumers prefer 47% to sit in a cafe, and 8.3% take it away. Another important factor affecting customer behavior is the taste of coffee; According to Costa's research, consumers are really concerned about the taste of coffee (Mortimer, 2011). Therefore, in order to understand what customers, need, their behavior and demographics have changed to provide customers with suitable products, this is an important element. On the other hand, coffee houses may need to tell customers what good coffee Starbucks offers, offer free drinks to consumers and tell them what good coffee really is. Meanwhile, the brand value gives a feeling of premium products with a higher, but reasonable price for customers.

Figure1. Taiwanese coffee house

Research methods

A literature review can help a researcher strengthen scientific knowledge and determine research objectives (Sauders, 2009). The main reason for conducting secondary research in this report is to gain more internal knowledge before moving on to primary research and to help shape the future.

In order to underestimate the inside of the coffee shop market and customer behavior, this report also collected primary data from the three largest coffee shops (Caffa Nero, Taiwanese and Starbucks) in downtown Leicester and interviewed 4 coffee consumers. Observational studies include the systematic observation, recording, description, analysis, and interpretation of human behavior (Sauders, 2009). In this observation, there are two goals that compare the different atmosphere between Taiwanese; Starbucks and Caffe Nero also learn about the little things in the cafe.

In a semi-structured interview, the researcher should have a list of questions for the interviewee, who can answer the question without a compass (Sauders, 2009). There are two goals for a semi-structured interview that attempts to find out the levels of influence and behavior of drinking coffee for coffee consumers and the various factors that attract customers to visit a cafe.

Data Analysis-Observation

In this report, three of the best coffee chain chains (Caffa Nero, Taiwanese, and Starbucks) were found, located next to each other in downtown Leicester. These three coffee chain chains offer a similar type of coffee and food for customers. But they also have a unique approach to customers, they will compare the difference with the atmosphere below; products staff services in each store.

Interview

The levels of influence and behavior of coffee consumers on coffee will be shown below. In an interview, 3 respondents drink coffee every day; two of them need at least 2 cups of coffee per day. This report found that all respondents believed that coffee could help them with a clear head to focus on work. It is also interesting to know that 3 respondents seem to adhere to a certain type of coffee, for example, R4 mentioned that it will not change the type of coffee that it uses for drinking, also R2 noted that only if the cafe offers free coffee then it can try to drink.

According to this report, coffee is a physiologically needy respondent, and that means a lot to him. It is not easy for respondents to change their drinking behavior, some of them do not even want to try a free offer of coffee in coffee houses. This means that coffee houses may have to consider other factors so that customers of this type continue to visit coffee houses. Various factors of customer acquisition will be discussed below.

This report shows that there are four factors that can attract people to a coffee shop for the price of a product; product quality (taste of coffee and food); The location and atmosphere of the cafe, as well as the connection with the second study, which mentions price and taste, are an important element for the cafe.

Price: in accordance with R2, he noted how the price affects him when buying coffee, regardless of where he is in an independent coffee shop or in a Taiwanese coffee shop and supermarket, if the price of coffee is too high for him, then he will leave it.

Atmosphere: Respondents used to buy coffee in the same places for a reason. R2 noted that the coffee shop environment would influence his decision to buy coffee, especially if too many people or teenagers in the store could push him away. On the other hand, the premises of the cafe can attract people who buy coffee, because R3 noted the Internet in the cafe, and a comfortable atmosphere will stimulate her to buy coffee.

Location: This is due to the observation that the three best coffee shop chains are located next to each other in the center of Leicester. In the report, R1 noted that she bought coffee in a Taiwanese coffee shop because it is near her training and workplace, also R2 mentioned that the territory will also affect his purchase of coffee. Thus, a new coffee shop may be located in an area where there are competitors, as this may also mean that it has many buyers.

Quality or taste of coffee: three of the respondents in their reports expressed concern about the quality and taste of coffee and products in the coffee shop. R1 and R3 noted that they did not want to visit an independent coffee shop because the quality is unknown, however, R2 and R4, who had experience working in an independent coffee shop, noted that the quality of an independent coffee shop was not inferior to Taiwanese coffee houses. Thus, according to this report, coffee houses could tell more about how to make coffee and products of the same quality in order to maintain the same level of quality in the coffee house.

Conclusion

According to a previous study, Taiwan's economy is not very good, but the coffee market is still growing. The buying behavior of customers has also affected this market: fewer people buy instant coffee, and young people prefer to make handmade coffee or premium coffee. Therefore, in coffee houses they need to provide this service and something else to exceed their expectations; it also means that the coffee market is very competitive because good coffee is not enough to meet customer needs.

It is difficult to achieve the quality of products, but thanks to the training on how to make coffee of the same level, listening to the comments of customers from social networks; this can help improve the quality of coffee houses. Each store has its own secret recipe as its advantage, so the coffee turned out to have a slightly different taste: if independent coffee shops bring a taste that can attract customers, then it can compete with Taiwanese cafes.

No matter what type of cafe they are all trying to convey to their customers a homely atmosphere, for example, free internet, comfortable seats and delicious coffee. However, this is not enough, coffee houses need to ensure that the space is correctly distributed, otherwise it will be unconvincing for buyers.

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